

Late breaking news on medical-legal developments affecting physicians and health care professionals

CMS' National Fraud Prevention Program Authorizes Unannounced Site Visits for Medicare Part A/B providers and suppliers: In 2011, CMS implemented a site visit verification program using a National Site Visit Contractor (NSVC). The site visit verification program is a screening mechanism to prevent questionable providers and suppliers from enrolling or maintaining enrollment in the Medicare program. The NSVC will conduct unannounced site visits for Medicare Part A/B providers and suppliers. The site visit may be either an observational site visit or a detailed review to verify enrollment related information and collect specific information based on pre-defined checklists and procedures determined by CMS. During an observational visit, the inspector engages in minimal contact with the provider or supplier and does not inhibit the daily activities that occur at the facility. The inspector may take photographs of the facility as part of the site visit. During a detailed review, the inspector will enter the facility, speak with staff, take photographs, and collect information to confirm the provider's or supplier's compliance with CMS standards. Inspectors performing the site visits will be CMS subcontractors and shall possess a photo ID and a letter of authorization issued and signed by CMS that the provider or supplier may review. We urge all practices to contact our firm in the event of an unannounced site visit to ensure the CMS contractors do not investigate beyond their scope or abuse their power. For more information on this program, you may visit: http://ow.ly/OSlsh.

CMS Extends Enforcement of "Two-Midnight" Rule: On Wednesday, the CMS announced that it was extending its enforcement delay for the controversial "two-midnight" rule governing short hospital stays to fall in line with recently proposed changes to the policy. CMS will be extending the delay through the end of the year. The two-midnight rule calls for Medicare's payment and audit contractors to assume a hospital admission was legitimate if it spans two midnights. Shorter stays are assumed to be more appropriately billed as outpatient observation care. The Medicare Payment Advisory Commission, which advises Congress on Medicare spending, has previously suggested that lawmakers push for repealing the two-midnight rule in its entirety, but the group did not offer any alternative policy. The CMS says public comment has not produced any viable alternatives to the rule. Notwithstanding the delay, RAC auditors will continue to conduct reviews of short stay inpatient claims for reasons unrelated to patient status, including coding reviews and reviews of medical necessity.

New Jersey Hospitals Facing Medicare Funding Cuts of Approximately \$23 Million: Recently, it was announced that the federal government penalized nearly every hospital in the state of New Jersey due to the fact that too many Medicare patients had to be readmitted within a month of their discharge. New Jersey is the state with the highest percentage of hospitals penalized in the country. Only one (1) hospital, Bergen Regional Medical Center in Paramus, received no penalty. The Medicare funding cuts make up roughly 2.5 percent of a hospital's Medicare payments. Medicare provides more than \$3 billion in annual funding to New Jersey's hospitals, making it the largest source of their revenue. The New Jersey Hospital Association ("NJHA") estimates the cuts will yield a loss of \$23 million for the state. Aline Holmes, Senior Vice President at the NJHA, estimates that approximately two-thirds of the state's hospitals decreased their readmission rates this year, but others still have some work to do.

For more information on the above items, contact Kern Augustine Conroy & Schoppmann, P.C. at 1-800-445-0954 or via email at info@DrLaw.com.



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